

AR30

*See 88*

# THE BOWATER ORGANISATION

# 1964

Annual Report and Accounts for

~~of CR~~ of AB or Reuters









## To holders of ordinary stock

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Bowater Paper Corporation Limited will be held at Grosvenor House, Park Lane, London, W.1, on Thursday, the 29th day of April, 1965, at 12 noon, for the purpose of receiving and adopting the Directors' Report and Accounts to 31st December, 1964, and transacting the ordinary business of the Corporation.

Mr. G. W. Shaw, O.B.E., who has been a Director since 1952, and who has given more than 36 years' service to The Bowater Paper Corporation Limited, will be retiring at the Annual General Meeting and therefore does not seek re-election to the Board.

Sir John Keeling and The Right Hon. Sir Frank Lee, G.C.M.G., K.C.B., retire by rotation in accordance with the Articles of Association and resolutions for their re-election will be submitted to the meeting.

Mr. C. T. Hicks, Mr. Robert Knight and Mr. V. J. Sutton, who have been elected Directors since the last Annual General Meeting, retire in accordance with the Articles of Association and resolutions for their re-election will be submitted to the meeting.

Dated this 3rd day of April, 1965

*By order of the Board*  
W. E. J. Miles  
Secretary

Bowater House, Knightsbridge, London, S.W.1

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his stead; a proxy need not be a member. The instrument of appointment must be deposited at the Registered Office of the Corporation not less than forty-eight hours before the time of the meeting.

Although the Report and Accounts are sent to preference, debenture and loan stockholders, only holders of the ordinary stock are entitled to attend and vote at the meeting.

---

# The Bowater Paper Corporation Limited

Registered Office: Bowater House, Knightsbridge, London, S.W.1

---

## BOARD OF DIRECTORS

### *Chairman*

Sir Christopher Chancellor C.M.G.

### *Vice-Chairmen*

Sir John Keeling

K. N. Linforth

### *Managing Director*

J. Martin Ritchie

C. T. Hicks (U.S.A.)

J. H. Mowbray Jones (Canada)

Robert Knight (*Comptroller*)

The Rt. Hon. Sir Frank Lee G.C.M.G., K.C.B.

C. F. Popham

G. W. Shaw O.B.E.

V. J. Sutton (U.S.A.)

Neville Whitehurst O.B.E.

---

*Special Director* Sir Noël V. Bowater Bt., G.B.E., M.C.

*Deputy Comptroller* Sam Mann F.C.A.

*Secretary* W. E. J. Miles F.C.A.

---

## AUDITORS

Barton, Mayhew & Co.

## CONSULTING ACCOUNTANTS

Peat, Marwick, Mitchell & Co.

## FINANCIAL ADVISERS

Hill, Samuel & Co. Limited London and Yorkshire Trust Limited

Morgan Stanley & Co N. M. Rothschild & Sons

## LEGAL ADVISERS

Allen & Overy Linklaters & Paines

## UNITED KINGDOM BANKERS

Lloyds Bank Limited Barclays Bank Limited Westminster Bank Limited



## The Chairman's Statement



Sir Christopher Chancellor, C.M.G.  
Chairman of The Bowater Paper  
Corporation Limited

## A RECORD YEAR

In my Statement a year ago I felt able to make an optimistic forecast about prospects for 1964 and in my Interim Statement, which was issued to shareholders on 4th of August, I said that profits in 1964 would be substantially higher than in 1963. In the event The Bowater Paper Corporation made a net profit before taxation of £14,554,000 in 1964 compared with £11,182,000 in 1963. This is an all-time record and an important milestone in the affairs of your Company.

These results could not have been achieved except for the hard work, the skill and the judgement of our closely knit team of executives working in so many parts of the world. We have established a good system of consultation combined with delegation of responsibility over a wide area, with the result that rapid decisions are made at all levels.

To this team of executives, and to the fine staff of 29,000 people who support them, we pay our tribute. The Shareholders of Bowaters can rely with absolute confidence on the talents and devotion of the men and women who serve their Company in many lands, and for this reason they can look boldly into the future.

### Changes on the Board

After a long and honourable career of more than thirty-six years in Bowaters Mr. G. W. Shaw is re-

tiring from the Board and from his executive posts in the Company. It was a source of great pleasure to his colleagues that Her Majesty the Queen saw fit to include him in the New Year's Honours List by awarding him an O.B.E. This was a tribute to his pioneer work in promoting the use of home-grown timber for paper-making in Britain. The fact that the newsprint made by Bowaters at Ellesmere Port in Cheshire is now largely based on pulpwood cut in the forests and woodlands of Britain owes much to the determination and persistence of Mr. Shaw.

During the year three of our top executives joined the Board of The Bowater Paper Corporation, the parent company. They go before you for re-election at the Annual General Meeting; and I cordially recommend to you Mr. C. T. Hicks, President of our Sales Company in New York (The Bowater Paper Company Inc.); Mr. V. J. Sutton, Chairman and Chief Executive Officer of our pulp and paper-making companies in the Southern United States (Bowaters Southern Paper Corporation and Bowaters Carolina Corporation); and Mr. Robert Knight, Comptroller to the Bowater Organisation, based on London.

### The British Paper Mills

At the end of 1964 Dr. Neville Whitehurst completed his first full year as Chairman and General Manager of Bowaters United Kingdom Pulp and Paper Mills Limited, which operates the four Bowater paper mills in this country – one in Cheshire (at Ellesmere Port) and three in Kent (at Northfleet, Kemsley and Sittingbourne). It has been a year of reorganisation and solid achievement.

Our production of newsprint in 1964 totalled 441,000 long tons compared with 403,000 long tons in 1963. At Northfleet we made 124,000 long tons of paper for the large circulation magazines and the quality of this paper enabled us to increase our share of the new market created by the colour supplements published by national newspapers.

As a result of increased production we succeeded in sustaining the profitability of our home paper mills, although they had to absorb steep increases in raw material and labour costs and (for the whole of 1964) the 35/- a ton newsprint price reduction which we had introduced on 1st July, 1963.

In last year's Statement I referred to our problems at Sittingbourne as a result of the EFTA tariff reductions and reported our decision to close two of the eight paper machines before the end of 1964. This has been done and the closure of a third machine is shortly to follow. Regrettably, the work force had to be reduced by about 250 people; but many of them were absorbed by the neighbouring Kemsley Mill which required additional labour to handle its increased production programme.

The management at Sittingbourne was changed early in the year; and, as a result of a complete reorganisation, the mill is now able to produce types of paper which are effectively competitive against Scandinavian imports. We have reason to be optimistic about the prospect of the new Sitting-



bourne blade coated paper for quality magazines which we are marketing under the registered name of BEAUBLADE.

I also referred last year to our successful production of 'fluting medium,' a type of paper used increasingly in packaging. We have developed this type of paper to the maximum capacity of our existing machinery; and we are working on plans for increased production.

Good progress has been made with paper for the new web-offset printing process, and we are increasing our manufacture of 'wallpaper base' paper.

During the year the opportunity has been taken to utilise the technical skills and applied research of our specialist staff on an international basis. Experienced technicians and men with special knowledge of particular products have been interchanged between our mills in this country and in France, Canada and the United States. Much benefit has been derived from this.

Newsprint remains our largest and most important business; and we are, by a considerable margin, the leading manufacturers of newsprint in this country. Unlike other types of paper manufactured in the United Kingdom, newsprint has never been protected by a tariff. But in October 1964 the British Government, facing a serious balance of payments crisis, imposed the temporary import surcharge which included newsprint. This immediately put the United Kingdom mills in the position of supplying their customers with newsprint at a considerably lower price than the newsprint imported from Canada and Scandinavia.

We were consequently under pressure from many newspapers to increase our supplies to them; but it is a difficult and expensive process to increase production at short notice, and, for the longer view, heavy capital expenditure is involved as well as long-term commitments for the supply of the essential raw materials. Nevertheless, we have succeeded in making various adjustments which will enable us substantially to increase production of newsprint at the home mills in 1965, thereby giving some assistance to our customers who stood by Bowaters in difficult times.

Our future role, if we are to enlarge our United Kingdom newsprint production capacity on a long-term basis and compete successfully with imported supplies, depends largely on three premises:—

- (1) securing our supplies of home-grown pulpwood to offset rising costs of imported pulpwood and pulp (in this we are dependent upon the long-term planning of the Forestry Commission and the private woodland owners and the afforestation policy of the British Government);
- (2) obtaining power and fuel for the home industry at rates comparable with those available to our overseas competitors;
- (3) removing obstacles which so far have made it impracticable for us to man the paper machines for seven days a week on a four-shift basis.

The final and deciding factor, however, will be

the attitude of the British Press towards the home newsprint industry and the extent to which British newspapers desire to rely upon home supplies. It will only be possible for the United Kingdom industry to plan and finance increased production if its customers the newspapers wish it to do so.

The British mills would not be justified in making the long-term forward commitments necessary for increased production unless their customers made it clear that they attached real and lasting importance to the maintenance of a strong, stable and expanding newsprint industry in this country.

United Kingdom newsprint consumption was 1,406,000 long tons in 1964. Of this considerable tonnage just about half came from the home mills, while the rest was imported from Scandinavia and Canada.

## **Pulp and Paper Mills in Europe**

The two Scandinavian pulp mills, in Sweden and Norway, had a good production year. These mills supply our United Kingdom paper mills with most of their baled groundwood pulp requirements.

The pulp mill in Alsace, La Cellulose de Strasbourg, had an excellent year with markedly increased production and profits.

The paper mill at Rouen, Papeteries de la Chapelle, on the other hand had a disappointing year. This is a well-equipped mill supplying the French newspapers and magazine industry with newsprint, popular magazine paper and high-quality coated papers. The equity of the company is owned as to 72% by Bowaters and as to 28% by outside shareholders, consisting for the most part of the French public. The shareholders have had an unhappy experience during the past two years. It has not been possible to pay dividends and 1965 holds out little promise of improvement. The reason for this is that the selling price of newsprint in France is controlled. The price has remained unchanged since January 1959 and it is unrealistic in terms of today's manufacturing costs and especially in relation to the cost of raw materials in France. Papeteries de la Chapelle, allied with the other French newsprint makers, has made many representations to the French Government pointing out the economic disability under which the whole industry is operating. It is hoped that there will be a sympathetic response to these representations during the current year.

## **Supplies for the Building Industry**

At the Kemsley Paper Mill we make hardboard and insulation board for the building industry; and at Athy in the Republic of Ireland our subsidiary company, Bowaters Irish Wallboard Mills Limited, makes high-quality hardboard much of which is exported to the United Kingdom where it is sold by the organisation handling the output of the Kemsley Mill. Sales to builders and timber merchants increased in 1964, especially sales of ceiling panels











manufactured for the most part from insulation board at Kemsley.

At a factory on our Ellesmere Port site in Cheshire we are making pitch fibre pipes for drainage. Last year I reported that this product was just emerging from the development stage. The factory is now profit-earning, demand is growing rapidly and we are planning increased manufacturing capacity in 1965.

### **Bowater Packaging Limited**

Mr. C. F. Popham is Chairman and General Manager of our twelve packaging factories in the United Kingdom. With one exception, to which I shall refer, all our packaging units had a good year despite strong competition in every section of the conversion industry. Group profits in 1964 were again better than in the preceding year and, so long as there is no serious slowing down in the general level of industrial activity, there is every reason to expect a steadily growing demand for our products in 1965.

The Fibre Container Division, consisting of four factories in the United Kingdom (at Glasgow, Ellesmere Port, Stevenage and Croydon), did particularly well; and at Stevenage our newest factory, which started production in 1962, is making a useful contribution to the Packaging Company's profits. At Ellesmere Port we are installing a second corrugator to keep pace with increasing demand for corrugated fibreboard containers, and this will be in production later this year.

The Multiwall Sack Division at Ellesmere Port had an excellent year. New uses and markets are being developed for paper sacks including household and local authority refuse disposal.

The Fibre Drum Division, with factories at Disley and Brentford, and the Paper Products Division, with factories at Sunbury-on-Thames and Clapham, also did well in 1964.

At Gateshead-on-Tyne we produce PERGA milk cartons. In association with United Dairies Limited we are also developing a new carton called ZUPACK.

The one exception to this account of our successful packaging operations is the large flexible packaging plant at Gillingham in Kent. Although there was an improvement in 1964, it is now clear that earlier hopes that Gillingham would become profit-earning in 1965 cannot materialise. This section of the packaging industry is meeting competition of a most intensive kind due to over-capacity, and the markets which Gillingham was built to supply have not grown as was envisaged when the factory was planned.

Nevertheless, as shareholders will remember who attended the Annual General Meeting at Gillingham three years ago, this is a well-laid-out modern factory on an excellent site. It contains a considerable area of unused manufacturing capacity which can be adapted to more profitable uses; and in this connection several alternative schemes are under study.

### **Packaging Companies in Europe**

Our 1964 experience in Europe has been mixed. Bowater Philips S.A., which we own jointly with N.V. Philips' Gloeilampenfabrieken, has had a successful year and it should do better still in 1965. Nevertheless, we have agreed with the Philips' Organisation that the time has not yet come to start paying dividends.

Our folding carton factory at Brussels, Bowater Belgium S.A., which serves a specialised market in Belgium, has had a good year.

In contrast, the flexible packaging plant at Rheims, Bowater Prot S.A., has made little headway in the face of strong competition due to over-capacity in this particular section of the industry in France, as elsewhere. The position is made more difficult by the policy of the French Government in pegging prices despite increases in the cost of imported raw materials and higher wage rates.

In Italy our corrugated box factory outside Genoa, Bowater Italia S.p.A., had a satisfactory year, and this plant having reached its full capacity it has been decided to build a second factory near Modena in Emilia to serve the market in central and north-eastern Italy.

This new project, which we announced last November, is planned to come into production in 1966. It is being financed partly by loans from the Italian authorities.

Our second venture in Italy has been less successful. As I stated last year, Bowater Europea S.p.A., the flexible packaging plant in Rome, did not become profit-earning in 1963. In 1964 the economic situation in Italy, especially in the area and in the specialised market served by this plant, continued to deteriorate and losses were sustained at a level which we decided could no longer be justified. We therefore made the painful decision to cease trading and to sell the assets of the company. Decisions such as these are none the easier because they are realistic; nevertheless they have to be taken and withdrawal at a weak point strengthens the whole front.

### **North America**

An important development during the year was the adoption of a new corporate and administrative structure for the Bowater Organisation in North America. This involved a financial rearrangement which included the redemption of the two issues of approximately Can. \$24,000,000 (£8,000,000) Preferred Stock in Montreal.

The main element of our North American reorganisation was the transfer of ownership of Bowaters' United States interests from The Bowater Corporation of North America Limited (incorporated in Canada) to a newly formed United States holding company, called Bowaters United States Corporation (incorporated in the State of Delaware, U.S.A.). The Bowater Corporation of North America Limited has been renamed Bowaters Canadian Corporation Limited and its



registered office has been moved from Montreal to Corner Brook, Newfoundland.

This scheme of reorganisation has simplified the administration of Bowaters' operations in North America and it will facilitate future expansion in Canada and the United States. We were fortunate in being able to rely at every stage upon the advice and practical assistance of our financial advisers in North America, Morgan Stanley & Co. of New York.

Our two Canadian and our two United States manufacturing companies had an excellent year, running for most of the time at full capacity. The Bowater Paper Company, New York, under the leadership of its President, Mr. C. T. Hicks, sold the entire output of these mills.

In 1964 we decided upon an extensive capital expenditure programme at the Canadian and United States mills. At Corner Brook, Newfoundland, we have started to modernise and speed up the older paper machines, and this will result in increased production and further improvement in newsprint quality.

Year by year we have extended our timber resources in the United States and Canada by purchasing blocks of forest land as they become available in suitable areas. Last summer we made a more than usually important purchase by acquiring the Sunny Hill 19,000 acre Tree Farm in South Carolina at an average distance of forty miles from Catawba Mill fully planted with southern pine. In the United States we plant a large acreage every year from our own tree nurseries; and we now own 700,000 acres of woodlands in compact blocks in Tennessee, the Carolinas and Georgia in addition to our very extensive timber limits in Canada.

In 1964 the paper mill at Calhoun, Tennessee, headed by Mr. V. J. Sutton, celebrated its tenth anniversary; and during the year its four large paper machines produced more than 424,000 short tons of newsprint and other printing papers – a remarkable achievement due to the efficiency and devotion of the management and staff and to the bold foresight of those who planned this great enterprise more than ten years ago.

While newsprint continues to be our largest business in North America we are carrying out a programme of diversification in what is known as 'the groundwood specialty field' which means types of paper used on web-offset printing presses and for telephone directories and mail order catalogues.

At Catawba in South Carolina, Mr. J. C. Hair was appointed President and General Manager of Bowaters Carolina Corporation in May 1964. Under the guidance of his Chairman, Mr. V. J. Sutton, he has brought our operations at Catawba to a high pitch of efficiency. The machine making blade coated and super-calendered paper for the magazine trade is probably one of the finest of its kind in the world and the quality of its paper is comparable with the best.

You will have read the published announcement in December last about our agreement with the

United States Plywood Corporation under which we sold our Catawba hardboard mill to this leading company in the plywood industry. This was a satisfactory transaction for both parties. We are now in a position to develop the paper-making potential of the Catawba site. Last year I reported that we were engaged upon 'a serious and far-reaching study as a preliminary step to the erection of a second paper machine at Catawba'. This study was completed in the late summer and we have announced our decision to build a second paper machine in the vacant space alongside the magazine paper machine. This new machine will be built to manufacture newsprint and the same 'groundwood specialty papers' as we now make at Calhoun.

There have been important changes in the management of the pulp and paper mill at Corner Brook, Newfoundland. As announced last December, Mr. Hugh Joyce, who is 43, has been appointed President and General Manager of Bowater's Newfoundland Pulp and Paper Mills – an important position in the Canadian paper industry. Mr. Albert Martin has handed over this responsible executive post to Mr. Joyce, but he continues as Chairman of the Newfoundland Company and at the same time he has assumed the position of Development Adviser to the Bowater Organisation.

The Bowater Power Company in Newfoundland has had another good year. This company's chief consumer is the Bowater mill at Corner Brook; but the supply of electric power to outside consumers is increasing. Construction of a new thirty-mile transmission line has been started and when it is completed this year we shall supply power under contract to the Whalesback Copper Mine.

At Liverpool, Nova Scotia, Bowaters Mersey Paper Company is owned as to 49% by its largest customer, *The Washington Post*. This mill has broken its production record for the second consecutive year. *The Washington Post* forges ahead and in so doing increases its consumption of newsprint and therefore its intake from the Mersey Mill.

The American newspaper industry has had a prosperous year, and newsprint consumption increased by 6½% over 1963. The outlook for 1965 is good and we anticipate another year of full production in our North American mills.

Newsprint is sold to our American customers at a contract price which has not changed since 1957 despite a steady increase in many of the basic costs of paper production during this period. Last November, however, newsprint producers on the west coast reduced by \$10 a short ton the price of newsprint delivered from their mills to newspapers in the western states of America. Thus a two-price system came into being in the United States, the lower price applying to the eleven western states – a recognised geographical area for certain price differentials.

The economic facts are that paper production is cheaper west of the Rocky Mountains than it is in the east because of lower raw material costs.

In the markets served by the Bowater Canadian



and United States mills the price of newsprint remains unchanged. It is important that this price be maintained, particularly if the industry is to continue to spend the formidable sums each year which are necessary for the production of the highest quality newsprint and for the expansion of production to meet the long-term requirements of its customers.

A strong and stable newsprint industry over the whole of North America, east as well as west, is essential to safeguard the future of producers and publishers alike.

### **Bowater-Scott Corporation Limited**

With the Scott Paper Company of Philadelphia as our partners, we operate two integrated tissue conversion mills in the United Kingdom – at Northfleet and Walthamstow. I reported last year that we were installing a new high speed paper machine at Northfleet designed to run at a speed of 4,000 feet a minute. The work is advancing towards completion and the new machine will be in production before the end of the summer.

Sales of tissue continue to expand and the Bowater-Scott company had an active and successful year. There is a note in the Accounts showing the proportion due to the Bowater Organisation of total earnings of associated companies.

At the end of last year arrangements were made under which the Bowater-Scott Corporation assumed the status of a subsidiary company in terms of the Companies Act. The Bowater Paper Corporation's consolidated accounts will therefore include the Bowater-Scott trading figures from 1 January 1965 onwards.

### **Australia and New Zealand**

In Australia and New Zealand our two subsidiary companies, which market and stock every grade of paper, had a very good year indeed and their profits were the highest yet recorded. These companies also act as sole selling agents for the Tasman Pulp and Paper Company Limited, New Zealand, in which the Bowater Organisation has a 17% investment stake and a management responsibility under a contract running until 1969.

The Tasman Pulp and Paper Company Limited made a profit of N.Z. £1,218,000 after tax and depreciation for the year ended 31 October 1964, compared with N.Z. £670,000 for the preceding year, and paid a dividend at the rate of 8% compared with 5%.

In Melbourne the Bowater-Scott Company is, like its counterpart in England, jointly owned by the Scott Paper Company of Philadelphia and ourselves. I referred last year to the building of the second paper machine at Melbourne. This machine came into production in August, ahead of programme to the credit of all concerned.

Sales of the Bowater-Scott Company in 1964 were 22% better than in 1963, and the profit was up

despite the fact that the second machine reached full production only in the latter part of the year.

### **The Bowater Steamship Company**

Last year I reported our decision to transfer the management of the Bowater fleet to the British and Commonwealth Shipping Company Limited. We have now experienced a full year of this working arrangement and we are well satisfied with it. Our ships have been successfully and efficiently run and the Bowater Organisation has realised the anticipated benefits from economies in the programming and operation of the fleet.

### **Bowater Hammond Limited**

Another development in 1964 was the decision to concentrate and rationalise the Bowater insurances throughout the world. We decided to join forces with L. Hammond & Company Limited, who have been our leading insurance advisers for more than seventy years and we have jointly formed a new company, Bowater Hammond Limited, in which Hammonds hold 49% of the shares and Bowaters 51%.

This company acts as general insurance brokers and in particular as brokers to the Bowater Organisation.

### **Future Taxation Changes**

Our current thinking must inevitably be influenced by uncertainties about the future structure and rate of company taxation. The forthcoming arrangements for Corporation Tax are unknown to us except in broad outline, but it is possible that Bowaters, and many other comparable companies, may be adversely affected because a high proportion of our profits are earned overseas. We have made our position known to the authorities and we have reason to believe that it is well understood by the Government and by those who are engaged upon the difficult task of working out the new forms of taxation. In a letter published in *The Times* on 18 December I explained the Bowater position, and for the record I quote the following extract from it:

*"Bowaters, in addition to its many paper mills and packaging plants in this country, has, over a period of more than twenty years, built up a most valuable investment in Canada and the United States. This investment consists of vast timber and forest resources, supporting pulp and paper mills in eastern Canada and the southern United States, which supply a great and growing market, largely in the United States. This has been built up for the most part by loan capital raised in the United States and by the steady ploughing back of dollar earnings. Today assets, conservatively valued at more than £125,000,000 (\$350,000,000) are based upon total remittances from this country during the whole development period of £12,500,000 (\$35,000,000).*

*This investment generates an annual flow of dollar remittances to the United Kingdom, a process which*



*assists the balance of payments problem in the same way as direct exports from here of manufactured goods.*

*Hitherto the Double Taxation Agreements have had the effect of equalising the taxation burden between home and overseas earnings. My present anxiety is that this situation may change if the new Corporation Tax comes into being in its proposed form. I know the Government is well aware of the difficulties experienced by companies such as Bowaters in planning forward policy at the present time. The Chancellor has said that 'transitional' methods of dealing with this special problem are under consideration. The danger is that, unless some permanent method can be found, we and other large organisations similarly placed may find it necessary to curtail expansion programmes overseas, locally financed and economically sound, which are important long-term for this country."*

### **The Dividend Decision**

Your Directors, as you will see in their Report, have decided to recommend a final dividend of 1s. 9d., making 2s. 9d. for the year, which is an increase of 6d. compared with 2s. 3d. paid for 1963. This decision has been taken in the light of the 1964 results; and it should be noted that, after the 2s. 9d. dividend is paid, profits retained in the Organisation will be £2,734,000 for 1964, compared with £1,709,000 for 1963, £1,638,000 for 1962 and £1,061,000 for 1961.

### **Conclusion**

I have tried to give a balanced account of your Company's activities and progress during 1964.

As I said at the beginning of my Statement, the 1964 profits constituted an all-time record for Bowaters. We have also maintained our net current assets position although capital expenditure during the year amounted to £9,000,000.

We have refunded the two Canadian Preference

Issues, equivalent to £8,000,000, without materially increasing our net funded debt in North America. This debt is being redeemed at the rate of £4,000,000 a year.

For 1965 capital expenditure has been authorised to a total of £11,000,000 at our units throughout the world in the continuous process of increasing productive efficiency and modernising and maintaining machinery and plants.

In 1964 our sales, both in volume and value, reached the highest figures yet achieved. Much emphasis at this time is placed upon the importance of exports on account of a balance of payments problem which seems likely to be with us for some years to come. Bowaters are only to a small extent a direct exporting company. But we are substantial dollar earners, showing a good and increasing return on a comparatively small total of sterling remittances to the dollar area.

We are also 'import savers', and the importance of this should not be overlooked in terms of the balance of payments problem. It is worth recording that in 1964 imports of newsprint alone, apart from other types of paper, cost this country £36,260,000.

Today it is more than usually difficult to predict forward trends. We face uncertainties about the future basis of taxation. Our business is world-wide and we operate in a most competitive field. Nevertheless, I continue to view the future of Bowaters with absolute confidence and, if conditions remain reasonably favourable in this country and in the United States, I see no reason why this Organisation should not continue to grow and prosper in the years ahead.

*C.J. Chancellor*

18th March, 1965



## Directors' report

to the members of The Bowater Paper Corporation Limited

The Directors present the Consolidated Balance Sheet and the Statement of Profit and Loss of the Corporation and its subsidiary companies for the year ended 31st December, 1964.

Consolidated Profit for the year amounted to £14,554,000 compared with £11,182,000 for 1963.

After providing for taxation, for minority interests and preference dividends of subsidiary companies, the net profit attributable to the members of the Corporation was £6,378,000 compared with £4,809,000 for the year 1963.

An interim dividend of 1s. 0d. per £1 stock unit was paid on the ordinary stock in October last. The Directors are recommending the payment of a final dividend for 1964 of 1s. 9d. per £1 stock unit, making a total distribution for the year of 2s. 9d. per £1 stock unit, compared with 2s. 3d. for the year 1963. This leaves £2,734,000 to be added to unappropriated profits compared with £1,709,000 for 1963.

If the proposed dividend is approved at the Annual General Meeting of the Corporation to be held on 29th April next, this final dividend will be paid, less income tax, on 31st May, 1965, to stockholders of record on 27th April, 1965.

Bowater House, Knightsbridge, London, S.W.1

18th March, 1965

*By order of the Board*  
W. E. J. Miles  
Secretary

## Highlights of the year

	1964	1963
Sales	£171,247,000	£158,639,000
Profits before taxation	14,554,000	11,182,000
Profits after taxation attributable to the members of the Corporation	6,378,000	4,809,000
Earnings per ordinary stock unit of £1	5s. 0½d.	3s. 7d.
Dividends per ordinary stock unit of £1	2s. 9d.	2s. 3d.

Number of employees 29,000

Number of ordinary stockholders 73,000



## Consolidated statement of profit and loss

for the year ended 31st December 1964

	1964 £000s	1963 £000s
Sales—external	152,450	138,851
—internal	18,797	19,788
	£171,247	£158,639
Consolidated profit before taxation (note 1)	14,554	11,182
Taxation (note 2)	7,342	5,520
Profit for the year after taxation	7,212	5,662
Minority interests (note 3)	834	853
Profit attributable to members of the Corporation (note 4)	6,378	4,809
Preference dividends of the Corporation	249	249
	6,129	4,560
Ordinary dividends of the Corporation (note 4)	3,395	2,851
Profit retained	£2,734	£1,709



## Consolidated balance sheet

31st December 1964

	1964 £000s	1963 £000s
<b>CAPITAL EMPLOYED</b>		
Ordinary capital (note 5)	41,381	41,381
Share premium account	11,371	11,371
Retained profits and other reserves (note 6)	41,393	37,996
	94,145	90,748
Reserves for future taxation and special depreciation (note 7)	12,835	10,506
Minority interests (note 8)	11,781	18,227
Preference capital (note 5)	7,394	7,394
Loan capital (note 9)	71,930	70,853
	£198,085	£197,728
<b>EMPLOYMENT OF CAPITAL</b>		
Current assets (note 10)	65,189	62,789
Current liabilities and provisions (note 11)	35,510	32,857
Net current assets	29,679	29,932
Deposits with trustees (note 12)	3,115	—
Notes receivable (note 13)	2,324	2,481
Trade investments (note 14)	3,403	5,013
Fixed assets (note 15)	159,564	160,302
	£198,085	£197,728

On behalf of the Board  
C. J. CHANCELLOR  
J. H. KEELING

DIRECTORS



## Balance sheet

31st December 1964

	1964 £000s	1963 £000s
<b>CAPITAL EMPLOYED</b>		
Ordinary capital (note 5)	41,381	41,381
Share premium account	11,371	11,371
Retained profits and other reserves (note 6)	13,256	12,043
	<u>66,008</u>	<u>64,795</u>
Preference capital (note 5)	7,394	7,394
Loan capital (note 9)	15,737	15,756
	<u>£89,139</u>	<u>£87,945</u>
<b>EMPLOYMENT OF CAPITAL</b>		
Investments in subsidiaries (note 16)	88,448	86,264
Trade investments (note 14)	1,519	3,018
Current assets (note 10)	3,951	2,580
	<u>93,918</u>	<u>91,862</u>
Current liabilities (note 11)	4,779	3,917
	<u>£89,139</u>	<u>£87,945</u>

On behalf of the Board

C. J. CHANCELLOR  
J. H. KEELING

DIRECTORS



## Notes to the accounts

	£000s	£000s
<b>1 CONSOLIDATED PROFIT BEFORE TAXATION</b>	<b>1964</b>	<b>1963</b>
is after charging:—		
Depreciation	10,878	10,439
Interest on loan capital—Corporation	807	778
—subsidiaries	2,909	3,021
Directors' emoluments for executive services including contributions to pension schemes	186	178
Pensions to former executive directors and to widows	24	14
Superannuation payments in respect of executive directors who retired during the year	80	—
and after adding:—		
Dividends from associated companies	132	357
Income from other trade investments	50	57
<b>2 TAXATION</b>		
United Kingdom—profits tax	1,182	812
—income tax	3,169	2,410
Overseas taxation less double tax relief	2,430	1,640
Future tax equalisation	561	658
	<u>7,342</u>	<u>5,520</u>
<b>3 MINORITY INTERESTS</b>		
Preference dividends of overseas subsidiaries	579	658
Profit attributable to outside ordinary shareholders	255	195
	<u>834</u>	<u>853</u>
<b>4 PROFIT DEALT WITH IN THE ACCOUNTS OF THE CORPORATION</b>		
Profit attributable to members of the Corporation	6,378	4,809
Retained by subsidiaries	2,478	1,718
	<u>3,900</u>	<u>3,091</u>
Preference dividends of the Corporation	249	249
	<u>3,651</u>	<u>2,842</u>
Ordinary dividends, less income tax: interim of 1s. per £1 stock (1963 1s.) and proposed final of 1s. 9d. per £1 stock (1963 1s. 3d.)	3,395	2,851
	<u>256</u>	<u>(9)</u>
<b>5 CAPITAL OF THE CORPORATION</b>		
Ordinary—authorised	45,000	45,000
—issued in £1 stock units	41,381	41,381
5½% Cumulative Preference—authorised	15,000	15,000
—issued in £1 stock units	7,394	7,394



	£000s		£000s	
	CONSOLIDATED		CORPORATION	
<b>6 RETAINED PROFITS AND OTHER RESERVES</b>	<b>1964</b>	<b>1963</b>	<b>1964</b>	<b>1963</b>
Retained profits	20,788	19,519	4,134	5,272
General and contingencies reserves	6,040	5,990	1,000	1,000
Capital reserves	14,565	12,487	8,122	5,771
	<u>41,393</u>	<u>37,996</u>	<u>13,256</u>	<u>12,043</u>

#### Retained Profits

at 1st January, 1964	19,519	5,272
Difference on conversion at current rates of exchange	74	—
Profit for the year retained	2,734	256
Proportion of retained profit of Bowater-Scott Corporation Limited at 31st December, 1964	421	—
Transfer to capital reserves	(1,910)	(1,394)
Transfer to contingencies reserves	(50)	—
at 31st December, 1964	<u>20,788</u>	<u>4,134</u>

Under the terms of agreements relating to the funded debt of United States subsidiaries, the distribution of retained profits of those companies amounting to £8,550,000 is subject to certain restrictions.

#### General and Contingencies Reserves

at 1st January, 1964	5,990	1,000
Transfer from retained profits	50	—
at 31st December, 1964	<u>6,040</u>	<u>1,000</u>

#### Capital Reserves

at 1st January, 1964 (before consolidating adjustments of £4,278,000)	16,765	5,771
Transfer from retained profits	1,910	1,394
Net increase in book value of investments in subsidiaries resulting from capitalisation of stock dividends less amounts written off including £788,000 premiums on acquisition and £1,037,000 exchange differences on conversion of shareholdings in North American subsidiaries at rates of exchange ruling at date of reorganisation	(1,825)	962
Profit on sale of trade investment	257	—
Costs of reorganisation of North American subsidiaries including premium on redemption of preference capital; and other capital items	(356)	(5)
	<u>16,751</u>	<u>8,122</u>
Consolidating adjustments:		
Premiums on acquisition of shareholdings in overseas subsidiaries	(3,074)	—
Net difference on conversion at current rates of exchange of share and loan capital of overseas subsidiaries	888	—
at 31st December, 1964	<u>14,565</u>	<u>8,122</u>



	£000s	£000s
<b>7 RESERVES FOR FUTURE TAXATION AND SPECIAL DEPRECIATION</b>	<b>1964</b>	<b>1963</b>
United Kingdom income tax 1965/66	2,158	1,510
Future tax equalisation and special depreciation	10,677	8,996
	<b>12,835</b>	<b>10,506</b>

Future tax equalisation includes, for United Kingdom companies, relief on initial allowances and, for overseas companies, the sum required at current tax rates to increase the aggregate of reserves for future taxation and special depreciation to the amount by which taxation to date has been reduced by claims for allowances in excess of normal depreciation charged in the accounts.

<b>8 MINORITY INTERESTS</b> (outside shareholders' interests in subsidiaries)	<b>1964</b>	<b>1963</b>
Ordinary shareholders	6,801	5,469
Preference shareholders	4,980	12,758
	<b>11,781</b>	<b>18,227</b>

The Preference Capital of Bowaters Mersey Paper Company Limited—£3,126,000—is redeemable at the option of that company.

<b>9 LOAN CAPITAL</b>	<b>Unsecured Notes and Loans</b>	<b>Mortgage Bonds and Debenture</b>
Corporation:		
3 $\frac{3}{4}$ % First Debenture Stock 1997 (£62,000 held by a subsidiary)	—	2,755
5 $\frac{1}{2}$ % Unsecured Loan Stock 1963/67	5,400	—
4 $\frac{1}{2}$ % Unsecured Bond Loan 1977 (Swiss francs 60,000,000)	4,983	—
Bank Loan repayable in 1965 (Belgian francs 360,000,000)	2,599	—
	<b>12,982</b>	<b>2,755</b>
Subsidiaries:		
United Kingdom	—	4,500
Canada	1,776	12,634
United States	1,545	31,792
Europe	3,756	190
Other countries	—	62
	<b>7,077</b>	<b>49,178</b>

Loan capital of subsidiaries is repayable at various dates up to 1984; £4,229,000 is repayable in 1965.

Holders of the Swiss Bond Loan have the right to convert one half of each Sw. frs. 1,000 bond into 17 ordinary shares of £1 each of the Corporation between 1st May and 31st December in 1965 or 1966, or into 16 ordinary shares between 1st May and 31st December, 1967.

<b>10 CURRENT ASSETS</b>	<b>CONSOLIDATED</b>		<b>CORPORATION</b>	
	<b>1964</b>	<b>1963</b>	<b>1964</b>	<b>1963</b>
Cash	6,114	7,858	2,731	1,609
Short term securities	1,652	2,423	444	—
Accounts receivable	26,964	23,934	333	403
Inventories	30,459	28,574	—	—
Taxes recoverable	—	—	443	568
	<b>65,189</b>	<b>62,789</b>	<b>3,951</b>	<b>2,580</b>

Inventories are valued at the lower of cost and net realisable value.



	£000s		£000s	
11 CURRENT LIABILITIES AND PROVISIONS	CONSOLIDATED		CORPORATION	
	1964	1963	1964	1963
Bank overdrafts (secured as to £784,000)	5,005	5,176	1,995	1,512
Acceptance credits and bills payable	6,338	7,999	-	-
Accrued interest on loan capital	1,096	1,171	255	298
Accounts payable	14,616	12,191	339	461
Taxation	4,841	3,341	-	-
Dividends payable, less income tax	2,403	1,853	2,190	1,646
	34,299	31,731	4,779	3,917
Provisions for deferred overseas taxation and other liabilities	1,211	1,126	-	-
	35,510	32,857	4,779	3,917

## 12 DEPOSITS WITH TRUSTEES

Amounts deposited with trustees for bondholders and withdrawable for capital purposes.

## 13 NOTES RECEIVABLE

Receivable in annual instalments over the next thirteen years.

## 14 TRADE INVESTMENTS AT COST

	CONSOLIDATED		CORPORATION	
	1964	1963	1964	1963
Associated companies	2,176	3,658	1,498	2,998
Other trade investments	1,227	1,355	21	20
	3,403	5,013	1,519	3,018

The Organisation's proportion of the aggregate earnings of associated companies (including Bowater-Scott Corporation Limited) for their financial years ended within 1964 amounted to £611,000 after taxation, of which dividends of £132,000 have been included in the consolidated profit for the year. At the end of 1964 Bowater-Scott Corporation Limited became a subsidiary and its assets and liabilities are included in the consolidated balance sheet at 31st December, 1964.

## 15 FIXED ASSETS

	Cost or valuation	Depreciation and amounts written off	Net book value 1964	Net book value 1963
Freehold land, buildings and docks	47,408	10,769	36,639	38,196
Leasehold buildings	902	223	679	741
Timberlands and woods equipment	14,124	5,114	9,010	7,810
Hydro-electric assets	13,509	2,165	11,344	11,299
Plant and machinery	157,698	61,664	96,034	95,822
Ships	7,849	2,567	5,282	5,637
	241,490	82,502	158,988	159,505
Deferred operating expenditure:				
Woods development			381	346
Other operating costs			195	451
			159,564	160,302

Continued on page 19



	£000s	£000s
	Cost or valuation	Depreciation
Movements during 1964:		
at 1st January, 1964	231,797	72,292
Difference on conversion at current rates of exchange	754	281
Expenditure	9,130	-
Depreciation for the year	-	10,878
On consolidation of Bowater-Scott Corporation	4,939	979
Sales and disposals	(5,130)	(1,928)
at 31st December, 1964	241,490	82,502

Fixed assets are taken at cost, with the exception of certain assets of the United Kingdom mills company which were revalued by the Directors at 31st December, 1955, hydro-electric assets in Newfoundland which were independently valued at 15th April, 1955, and assets of certain European subsidiaries which have been revalued in accordance with local fiscal laws.

16 INVESTMENTS IN SUBSIDIARIES	1964	1963
Shareholdings	68,328	65,467
Due from subsidiaries	23,927	24,123
Due to subsidiaries	(3,807)	(3,326)
	88,448	86,264

#### 17 CONTINGENT LIABILITIES AND COMMITMENTS

Guarantees have been given by the Corporation for borrowings of £13,639,000 by subsidiaries and associated companies and in regard to a long-term contract for supplies of raw materials forming part of the security on which the loan capital of an overseas subsidiary was issued. There is a contingent liability of £234,000 on uncalled capital on trade investments, of which £180,000 is in respect of a trade investment of the Corporation. Bills discounted and guarantees for borrowings by subsidiaries amount to £3,515,000. Orders placed on capital account by subsidiaries are estimated at £5,900,000.

#### 18 RATES OF EXCHANGE

Conversion into sterling of the accounts of overseas subsidiaries has been effected at rates of exchange ruling at 31st December, 1964.

## Auditors' report

to the members of The Bowater Paper Corporation Limited

We have examined the foregoing accounts made up to 31st December, 1964 comprising a Balance Sheet, which is in agreement with the books of account, and a Consolidated Balance Sheet and Profit and Loss Account. The accounts of certain subsidiaries have been audited by other firms. The Corporation has kept proper books and we obtained all the information and explanations which we considered necessary. In our opinion the accounts with the notes thereon comply with the Companies Act 1948 and give a true and fair view of the state of affairs of The Bowater Paper Corporation Limited and of the Corporation and its subsidiaries at 31st December, 1964 and of the profit for the year then ended.

ALDERMAN'S HOUSE, BISHOPSGATE, LONDON, E.C.2.

Barton, Mayhew & Co.

18th March, 1965

Chartered Accountants, Auditors



A TEN YEAR RECORD

CONSOLIDATED TRADING RESULTS

Sales of paper, pulp, packaging and other products and services
Cost of sales and services
Trading surplus
Depreciation
Profit after depreciation
Interest on loan capital
Profit before taxation
Taxation
Profit after taxation
Minority interests and dividends on preference capital of subsidiary companies
Net profit attributable to the members of the Corporation

PROFITS DEALT WITH AS FOLLOWS

Preference dividends
Ordinary dividends
Profits retained

CAPITAL EMPLOYED

Ordinary or common capital
Profits retained and reserves

Minority interests and preference capital of subsidiary companies
Preference capital of the Corporation

Loan capital
--------------

EMPLOYED AS FOLLOWS

Fixed assets less depreciation
Net current assets

Total assets
--------------

PRODUCTION

Paper
Pulp
Packaging and other products

Total – all products
----------------------



1955 £000s	1956 £000s	1957 £000s	1958 £000s	1959 £000s	1960 £000s	1961 £000s	1962 £000s	1963 £000s	1964 £000s
82,843 69,633	95,306 79,177	102,542 85,390	107,183 89,038	117,028 96,958	142,090 118,596	148,440 126,573	150,818 128,771	158,639 133,219	171,247 142,095
13,210 3,342	16,129 3,946	17,152 4,741	18,145 5,247	20,070 6,260	23,494 7,828	21,867 8,595	22,047 9,223	25,420 10,439	29,148 10,878
9,868 1,412	12,183 1,812	12,411 2,427	12,898 2,968	13,810 3,257	15,666 3,323	13,272 3,265	12,824 3,515	14,981 3,799	18,270 3,710
8,456 4,658	10,371 4,708	9,984 4,276	9,930 3,718	10,553 4,197	12,343 5,803	10,007 4,403	9,309 4,125	11,182 5,520	14,554 7,342
3,798 210	5,663 383	5,708 862	6,212 1,119	6,356 930	6,540 896	5,604 809	5,184 762	5,662 853	7,212 834
3,588	5,280	4,846	5,093	5,426	5,644	4,795	4,422	4,809	6,378
133 1,242 2,213	229 1,380 3,671	230 1,402 3,214	234 1,460 3,399	245 2,324 2,857	249 3,271 2,124	249 3,485 1,061	249 2,535 1,638	249 2,851 1,709	249 3,398 2,734
3,588	5,280	4,846	5,093	5,426	5,644	4,795	4,422	4,809	6,378
19,200 33,737	19,200 38,264	19,500 38,009	19,500 43,219	23,115 51,554	40,637 56,225	41,371 54,530	41,381 57,098	41,381 59,873	41,381 65,595
52,937 2,502 7,245	57,464 15,399 7,245	57,509 17,757 7,394	62,719 17,731 7,394	74,669 17,845 7,394	96,862 17,767 7,394	95,901 15,444 7,394	98,479 14,889 7,394	101,254 18,227 7,394	106,980 11,781 7,394
32,684 30,990	80,108 45,727	82,660 61,021	87,844 70,750	99,908 67,942	122,023 65,796	118,739 67,472	120,762 74,129	126,875 70,853	126,155 71,930
93,674	125,835	143,681	158,594	167,850	187,819	186,211	194,891	197,728	198,085
69,376 24,298	106,041 19,794	117,977 25,704	136,080 22,514	143,488 24,362	154,974 32,845	165,587 20,624	168,638 26,253	167,796 29,932	168,406 29,679
93,674	125,835	143,681	158,594	167,850	187,819	186,211	194,891	197,728	198,085
thousand long tons 994 328 112	thousand long tons 1,144 351 76	thousand long tons 1,270 317 107	thousand long tons 1,203 267 196	thousand long tons 1,299 319 211	thousand long tons 1,523 450 256	thousand long tons 1,625 526 271	thousand long tons 1,622 518 296	thousand long tons 1,650 576 327	thousand long tons 1,805 613 342
1,434	1,571	1,694	1,666	1,829	2,229	2,422	2,436	2,553	2,760



## Operations and products of principal subsidiary companies

The percentages relate to the proportion of the ordinary capital held; where no percentage is shown the ordinary capital is wholly owned within the Organisation

---

### UNITED KINGDOM AND IRELAND

#### BOWATERS UNITED KINGDOM PULP AND PAPER MILLS LIMITED

Newsprint; roll and blade coated papers; mechanical printing, stationery and packaging papers; hardboard and insulating board, and ceiling panels

---

#### BOWATERS SALES COMPANY LIMITED

Distributors of products of United Kingdom Pulp and Paper Mills company

---

#### BOWATER PACKAGING LIMITED

Packaging products: corrugated cases, multiwall sacks, drums, cartons, boxes, and other paper, foil and plastic products

---

#### BOWATER-SCOTT CORPORATION LIMITED (50%)

Household and industrial disposable paper products

---

#### THE BOWATER STEAMSHIP COMPANY LIMITED

Shipowners; transport of group products

---

#### BOWATER FLEXPIPE LIMITED

Pitch fibre pipes; flexible and spiral tubing

---

#### BOWATER HAMMOND LIMITED (51%)

Insurance brokers

---

#### BOWATERS IRISH WALLBOARD MILLS LIMITED

Hardboard

---

### NORTH AMERICA

#### BOWATER'S NEWFOUNDLAND PULP AND PAPER MILLS LIMITED

Newsprint, specialty papers and pulp

---

#### BOWATERS MERSEY PAPER COMPANY LIMITED (51%)

Newsprint and lumber

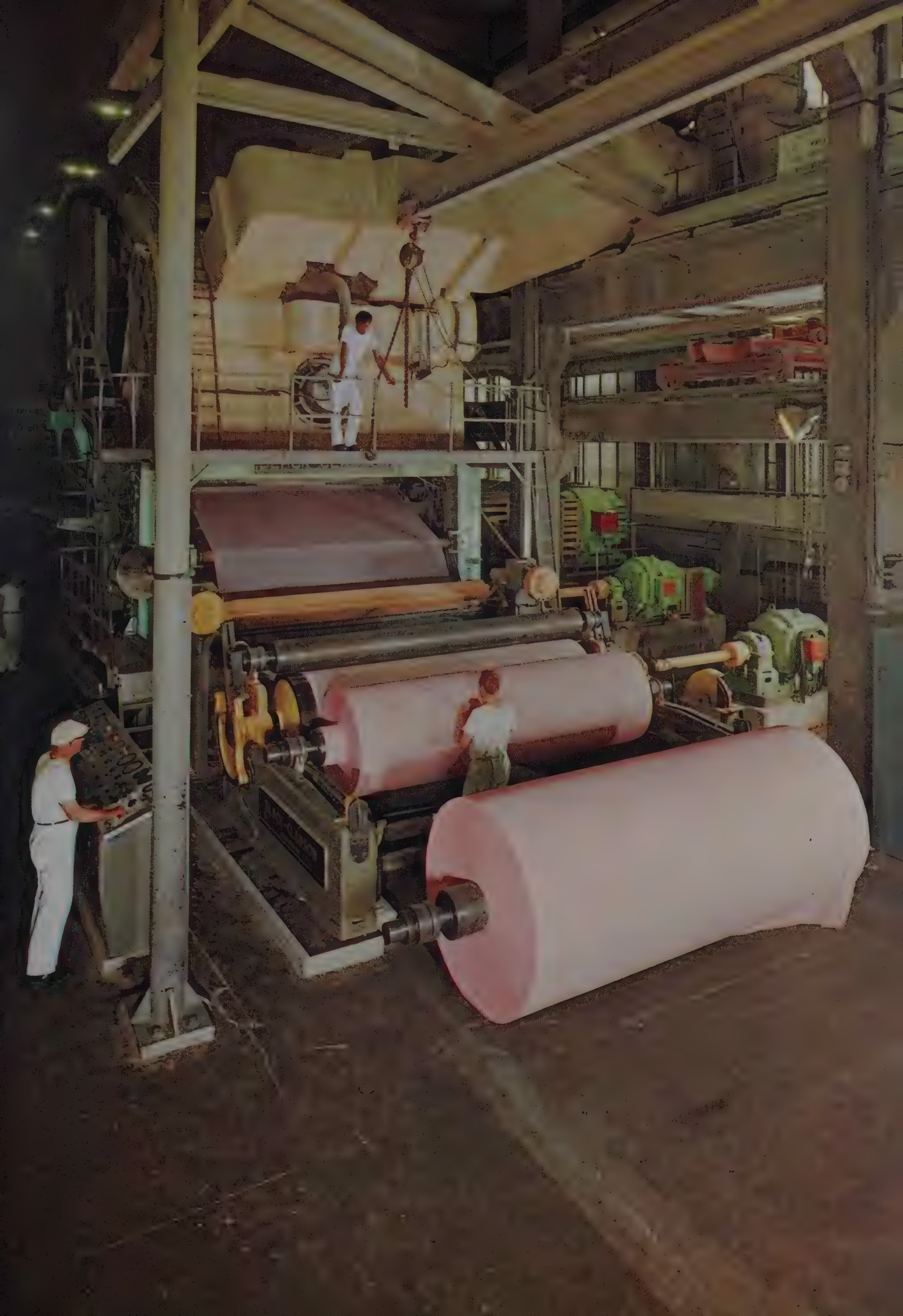
---

#### THE BOWATER POWER COMPANY LIMITED

Hydro-electric power

---











---

**BOWATERS SOUTHERN PAPER CORPORATION**  
Newsprint and specialty papers

---

**BOWATERS CAROLINA CORPORATION**  
Pulp and coated printing papers

---

**THE BOWATER PAPER COMPANY INC.**  
Distributors of newsprint, specialty papers and pulp

---

**OTHER OVERSEAS**

**PAPETERIES DE LA CHAPELLE S.A., ROUEN (72%)**  
Newsprint and blade coated papers

---

**LA CELLULOSE DE STRASBOURG S.A.**  
Pulp

---

**BOWATER BELGIUM S.A., BRUSSELS**  
Packaging products: cartons and boxes

---

**BOWATER PROT S.A., RHEIMS**  
Packaging products: cartons and flexible packaging

---

**BOWATER ITALIA S.p.A., GENOA**  
Packaging products: corrugated cases

---

**BOWATERS SVENSKA TRÄMASSEFABRIKER AKTIEBOLAG, SWEDEN**  
Groundwood pulp

---

**BOWATER PAPER COMPANY (PROPRIETARY) LIMITED, SOUTH AFRICA**  
Paper merchants and converters

---

**BOWATER PAPER COMPANY PTY. LIMITED, SYDNEY**  
Paper merchants; distributors of newsprint and other papers

---

**BOWATER PAPER COMPANY (N.Z.) LIMITED, AUCKLAND**  
Paper merchants; distributors of newsprint, pulp and timber

---



---

# The Bowater Paper Corporation Limited

## Directors of principal subsidiary and associated companies

---

---

### BOWATERS CANADIAN CORPORATION LIMITED, NEWFOUNDLAND

Sir Christopher Chancellor, c.m.g., *Chairman* J. Martin Ritchie, *Vice-Chairman* J. H. Mowbray Jones, *President*  
A. E. Balloch, o.b.e. C. T. Hicks H. K. Joyce K. N. Linforth Sam Mann A. Martin V. J. Sutton

---

### BOWATERS UNITED STATES CORPORATION, TENNESSEE

Sir Christopher Chancellor, c.m.g., *Chairman* J. Martin Ritchie, *Vice-Chairman* V. J. Sutton, *President*  
J. C. Hair C. T. Hicks J. H. Mowbray Jones Sir John Keeling Sam Mann W. A. Sprague

---

### THE BOWATER CORPORATION OF AUSTRALIA PTY. LIMITED, SYDNEY

Sir Christopher Chancellor, c.m.g., *Chairman* A. Lissenden, *Vice-Chairman* R. A. Stephens, *Vice-Chairman*  
H. S. Archdall R. J. Brideson K. N. Linforth J. F. N. McKinnell J. Martin Ritchie R. W. Turner

---

### PAPER INDUSTRIES LIMITED, ZURICH

Sir Christopher Chancellor, c.m.g., *Chairman* E. Reinhardt, *Vice-Chairman*  
Jean-Francois Clerc H. Hartung Robert Knight Otto Kunz K. N. Linforth J. Martin Ritchie H. Schmuki V. Zoller

---

### THE BOWATER STEAMSHIP COMPANY LIMITED, UNITED KINGDOM

Sir Christopher Chancellor, c.m.g., *Chairman*  
B. G. S. Cayzer J. A. Colvin J. C. Goobie Robert Knight A. E. Lemon K. N. Linforth J. Martin Ritchie

---

### BOWATER-SCOTT CORPORATION LIMITED, UNITED KINGDOM

Sir Christopher Chancellor, c.m.g., *Chairman* F. M. O'Brien, *General Manager*  
P. C. Baldwin C. D. Dickey H. F. Dunning Robert Knight K. N. Linforth  
J. Martin Ritchie Neville Whitehurst, o.b.e.

---

### BOWATER HAMMOND LIMITED, UNITED KINGDOM

Sir Christopher Chancellor, c.m.g., *Chairman*  
Gordon Biggs Robert Knight J. Martin Ritchie J. R. C. Townsend

---

### BOWATERS UNITED KINGDOM PULP AND PAPER MILLS LIMITED

Neville Whitehurst, o.b.e., *Chairman and General Manager*  
E. T. Baker Andrew Ireland Robert Knight A. S. Linforth G. Martin-Turner J. Nichols  
T. L. Raine G. R. Roberts G. W. Shaw, o.b.e.

---

### BOWATERS SALES COMPANY LIMITED, UNITED KINGDOM

Neville Whitehurst, o.b.e., *Chairman* R. A. Batchelor, *Deputy Chairman*  
J. T. Bett A. S. Linforth G. Martin-Turner F. R. Morley J. Nichols D. J. Parsons G. H. West

---

### BOWATER PACKAGING LIMITED, UNITED KINGDOM

C. F. Popham, *Chairman and General Manager*  
H. B. Dean L. A. W. Edwards F. S. Hayes H. W. King Robert Knight W. Parlane  
P. D. Patrick R. C. Ross T. C. Watkins

---



---

**BOWATERS IRISH WALLBOARD MILLS LIMITED**

Neville Whitehurst, o.B.E., *Chairman* D. A. Bell, *Manager*  
The Hon. John Forbes J. A. Gargan Robert Knight A. S. Linforth G. Martin-Turner D. McCullough  
G. G. Overend P. Thomas

---

**BOWATER'S NEWFOUNDLAND PULP AND PAPER MILLS LIMITED**

A. Martin, *Chairman* H. K. Joyce, *President and General Manager*  
F. G. Huck, *Vice-President* J. D. Roberts, *Vice-President* A. R. Stanford, *Vice-President*  
Sam Mann

---

**BOWATERS MERSEY PAPER COMPANY LIMITED, NOVA SCOTIA**

J. H. Mowbray Jones, *Chairman* A. E. Balloch, o.B.E., *President and General Manager*  
F. S. Beebe F. M. Covert, q.c. Mrs. Katharine Graham Sam Mann H. A. Paterson J. W. Sweeterman

---

**THE BOWATER POWER COMPANY LIMITED, NEWFOUNDLAND**

A. Martin, *Chairman* M. G. Green, *President and General Manager*  
H. K. Joyce Sam Mann

---

**BOWATERS SOUTHERN PAPER CORPORATION, TENNESSEE**

V. J. Sutton, *Chairman and Chief Executive Officer* L. E. Culbertson, *Vice-President* R. R. Edgar, *Vice-President*  
C. E. Opdyke, *Vice-President*  
J. G. Cate C. T. Hicks

---

**BOWATERS CAROLINA CORPORATION**

V. J. Sutton, *Chairman and Chief Executive Officer* J. C. Hair, *President and General Manager*  
C. E. Opdyke, *Vice-President* H. C. Carruth, *Assistant General Manager*  
J. G. Cate C. T. Hicks

---

**THE BOWATER PAPER COMPANY INC., NEW YORK**

C. T. Hicks, *President* W. A. Sprague, *Executive Vice-President*  
J. C. Goobie, *Vice-President and General Manager* G. B. Hutchings, *Vice-President* P. A. Mahony, *Vice-President*  
N. B. Thomey, *Vice-President* R. E. W. Watt, *Vice-President*  
R. K. Pfister

---

**PAPETERIES DE LA CHAPELLE S.A., ROUEN**

G. Forest, *Président-Directeur Général*  
C. Amiet J. Berthier P. Krug K. N. Linforth J. Nichols T. L. Raine R. Schulz Neville Whitehurst, o.B.E.

---

**LA CELLULOSE DE STRASBOURG S.A.**

R. Saur, *Président-Directeur Général*  
J. Arguillère J. Boeckel K. N. Linforth Robert Michaut T. L. Raine H. Ch. Seegmuller G. W. Shaw, o.B.E.  
M. Wehrlin Neville Whitehurst, o.B.E.

---



---

BOWATER BELGIUM S.A., BRUSSELS

J. M. Doneux, *Président*  
F. S. Hayes Jean Michel E. Moutet R. C. Ross

---

BOWATER PROT S.A., RHEIMS

C. F. Popham, *Président-Directeur Général* E. Moutet, *General Manager*  
M. Bernard J. M. Doneux R. C. Ross

---

BOWATER ITALIA S.p.A., GENOA

H. B. Dean, *Presidente* V. Denari, *General Manager*  
B. H. A. Ball G. Heimann U. Ravioli S. Sanguinazzi

---

BOWATERS SVENSKA TRÄMASSEFABRIKER AKTIEBOLAG, SWEDEN

Sune Wetter, *Chairman*  
J. A. Colvin Göte Engfors  
G. Johnsson, *Managing Director* B. Bäckman, *Financial Director*

---

BOWATER PAPER COMPANY (PROPRIETARY) LIMITED, SOUTH AFRICA

Robert Knight, *Chairman* W. P. C. B. Adams, *General Manager*  
G. L. Robertson

---

BOWATER PAPER COMPANY PTY. LIMITED, AUSTRALIA

A. Lissenden, *Chairman and Chief Executive Officer* R. W. Turner, *Vice-Chairman* R. J. Brideson, *General Manager*  
W. Dunstan J. L. Hunter D. J. McKenzie J. F. N. McKinnell D. H. G. Pashen F. J. Sullivan

---

BOWATER PAPER COMPANY (N.Z.) LIMITED

J. F. N. McKinnell, *Chairman* K. H. Wade, *General Manager*  
R. J. Brideson R. C. Deeble J. C. Mulqueen R. W. Turner

---

**ASSOCIATED COMPANIES**

BOWATER PHILIPS S.A., GHENT

R. Van Dijk, *Chairman*  
B. G. Alexander H. van Donselaar R. A. E. Rolin Jaequemyns W. Th. J. Lier W. Parlane C. F. Popham  
P. van der Weide

---

BOWATER-SCOTT AUSTRALIA PTY. LIMITED, MELBOURNE

H. S. Archdall, *Chairman and Managing Director*  
M. W. Bailey C. D. Dickey H. F. Dunning R. Evans K. N. Linforth

---

AKTIESELSKAPET RISÖR TRÆMASSEFABRIKER, NORWAY

Christian Anker, *Chairman*  
J. A. Colvin Per Norgren

---







**THE BOWATER ORGANISATION Annual Report and Accounts for 1964**